

VZCZCXRO5578
OO RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSL RUEHSR
DE RUEHSF #0405 2051246
ZNY CCCCC ZZH
O 241246Z JUL 09
FM AMEMBASSY SOFIA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6202
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE IMMEDIATE
RUEAIIA/CIA WASHINGTON DC IMMEDIATE
RUEABND/DEA HQS WASHINGTON DC IMMEDIATE
RUEAWJA/DEPT OF JUSTICE WASHINGTON DC IMMEDIATE
RUEHVEN/USMISSION USOSCE IMMEDIATE 0174
RUEHBS/USEU BRUSSELS IMMEDIATE

C O N F I D E N T I A L SOFIA 000405

SIPDIS

EUR/CE

E.O. 12958: DECL: 07/23/2019
TAGS: [PREL](#) [PGOV](#) [BU](#)
SUBJECT: BULGARIA/EU: FINAL NAIL IN COFFIN OF OUTGOING
GOVERNMENT

REF: SOFIA 0325

Classified By: Amb. Nancy McEldowney for reasons 1.4 (b) and (d).

11. (C) SUMMARY: The European Commission released its annual Cooperation and Verification Mechanism (CVM) report on Bulgaria's progress in Justice and Home Affairs on July 22, the same day Parliament accepted the resignation of the government of PM Stanishev. As expected, the report blasts the out-going government for lack of political will to fight high-level corruption and organized crime. Although the report did not invoke the safeguard clause and noted marginal progress on some rule of law issues, the drafters declared the monitoring mechanism will continue indefinitely -- a sign Brussels considers progress a long way off. While highly critical, the report did not carry the sting of its predecessors as it was directed at a government no longer in power. The recommendations will serve as a road-map for the new GERB government to win back Europe's trust. END SUMMARY.

LACK OF POLITICAL WILL

12. (SBU) The 2009 EC report assessed Bulgaria's progress in meeting six benchmarks in the areas of judicial reform, the fight against organized crime and combating high-level corruption. The Commission said that "Bulgaria showed the first technical results in the fight against corruption and organized crime, but their effect is limited." The CVM states there is still no clear proof that Bulgarian authorities are "unequivocally committed" to solving the country's rule of law challenges. The conviction of Burgas-based drug lord Dimitar Zhelyazkov (aka Mitko the Eyes) and two Varna businessmen Vesselin and Hristo Danov on money-laundering, pimping, and criminal association charges were cited as successes. Nevertheless, the EC stressed that prison terms continue to be minimal and defendants are able to strike plea-bargains for shorter sentences. It adds that the "first" successes must be judged against the daily reality in Bulgaria where contract killings continue and well-known criminals are still released from prison or receive lenient sentences. The report stated that Bulgaria still suffers from an outdated Criminal Code and excessive formalism in judicial practice. The drafters note that "true judicial reform has yet to begin."

A ROADMAP FOR THE NEW GOVERNMENT

13. (C) With this report Brussels removed the threat of application of the safeguard clause against Bulgaria, but stunned many by stating that Bulgaria would be subject to the

monitoring mechanism indefinitely. The report offers 21 recommendations for reform including the creation of an independent specialized anti-corruption and organized crime court with political independence, the banning of cash payments in real estate deals, strict control over conflict of interest, and fast and effective convictions of corrupt high-level government officials, among others. Tsvetan Tsvetanov, incoming Deputy Prime Minister and Interior Minister told us he and his colleagues consider the recommendations a "roadmap" for their reform efforts.

14. (C) COMMENT: This report, although harsh, did not carry the sting of previous monitoring reports, coming on the same day the outgoing government officially tendered its resignation. PM Stanishev and his government are putting a brave face on Brussels's assessment, highlighting the few bits of praise offered. For the new government, the CMV report offers a baseline to show the EU (and its own public) that it has the political will to make the necessary reforms -- to curb high-level corruption, take down the crime bosses, and end the misuse and abuse of EU funds. Brussels's next report -- on the management of EU funds -- will be released in fall 2009. END COMMENT.

McEldowney